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**Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana**

Financial Statements With Auditors' Report

**As of and for the years ended December 31, 2000 and 1999
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and its governing body and its officers. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/15/01

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana

Table of Contents

| | <u>Page No.</u> |
|--|-----------------|
| Independent Auditors' Report | 1 – 2 |
| Financial Statements: | |
| Statements of Financial Position | 3 |
| Statements of Activities | 4 |
| Statements of Cash Flows | 5 |
| Notes to Financial Statements | 6 – 13 |
| Combining Schedules: | |
| Combining Schedule of Financial Position | 14 |
| Combining Schedule of Activities | 15 |
| Supplemental Information Schedules Prepared For Grants and Contracts Analysis | |
| Head Start Program Award No. 06CH5175/34 For the Contract Period: January 1, 2000 to December 31, 2000 | 17 |
| Child and Adult Care Food Program For the Contract Period: October 1, 1999 to September 30, 2000 | 18 |
| Community Services Block Grant Contract No. 99N0027 For the Contract Period: January 1, 2000 to December 31, 2000 | 19 |
| Low-Income Home Energy Assistance Program Contract No. 528394 For the Contract Period: January 1, 2000 to December 31, 2000 | 20 |
| Project Independence For the Period: January 1, 2000 to December 31, 2000 | 21 |

(Continued)

Table of Contents
(Continued)

| | <u>Page No.</u> |
|--|-----------------|
| Temporary Emergency Food Assistance Program For the Period: January 1, 2000 to December 31, 2000 | 22 |
| Housing Counseling For the Period: January 1, 2000 to December 31, 2000 | 23 |
| Ouachita Council of Governments For the Period: January 1, 2000 to December 31, 2000 | 24 |
| General Services For the Period: January 1, 2000 to December 31, 2000 | 25 |
| Schedule of Expenditures of Federal Awards | 26– 27 |
| Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> | 28– 29 |
| Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 | 30– 31 |
| Summary Schedule of Prior Audit Findings | 32 |
| Schedule of Findings and Questioned Costs | 32 |
| Summary Schedule of Audit Findings For the Louisiana Legislative Auditor: Prior Year Audit Findings | 33 |
| Current Year Audit Findings | 34 – 35 |

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Independent Auditors' Report

To the Board of Directors
Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana

We have audited the accompanying statements of financial position of Ouachita Multi-Purpose Community Action Program, Inc. (a nonprofit organization) as of December 31, 2000 and 1999, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Ouachita Multi-Purpose Community Action Program, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ouachita Multi-Purpose Community Action Program, Inc. as of December 31, 2000 and 1999, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 19, 2001 on our consideration of Ouachita Multi-Purpose Community Action Program, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Ouachita Multi-Purpose Community Action Program, Inc. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplemental schedules shown on pages 14–15, are presented for the purpose of additional analysis and are not a required part of the financial statements of Ouachita Multi-Purpose Community Action Program, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying supplemental schedules, listed as "Supplemental Information Schedules Prepared For Grants and Contracts Analysis" in the table of contents and shown on pages 17–25, are presented for the purpose of providing various funding sources of Ouachita Multi-Purpose Community Action Program, Inc. additional individual grant and contract analysis and are not a required part of the financial statements. The information is prepared on a prescribed basis of the various funding sources of Ouachita Multi-Purpose Community Action Program, Inc., and certain schedules are for periods other than the organization's fiscal year. These schedules are not presented in accordance with generally accepted accounting principles. Accordingly, the schedules mentioned previously on pages 17–25 are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion are fairly stated on the basis of accounting practices prescribed by the various funding sources.



Cook and Morehart
Certified Public Accountants
April 19, 2001

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Statements of Financial Position
December 31, 2000 and 1999

| Assets | 2000 | 1999 |
|-----------------------------------|---------------------|---------------------|
| Current assets: | | |
| Cash | \$ 246,629 | \$ 160,430 |
| Grant receivables | 307,541 | 633,058 |
| Account receivable-other | 840 | |
| Due from other funds | 81,582 | 29,449 |
| Total current assets | <u>636,592</u> | <u>822,937</u> |
| Property and equipment: | | |
| Property and equipment | 2,240,339 | 2,177,857 |
| Accumulated depreciation | (1,464,245) | (1,391,179) |
| Net property and equipment | <u>776,094</u> | <u>786,678</u> |
| Total Assets | <u>\$ 1,412,686</u> | <u>\$ 1,609,615</u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable | \$ 278,887 | \$ 411,168 |
| Accrued liabilities | 22,413 | 32,588 |
| Due to other funds | 81,582 | 29,449 |
| Current portion of long-term debt | 52,623 | 17,203 |
| Refundable advances | 114,682 | 163,201 |
| Total current liabilities | <u>550,187</u> | <u>653,609</u> |
| Long-term debt | <u>7,043</u> | <u>28,534</u> |
| Total liabilities | <u>557,230</u> | <u>682,143</u> |
| Net assets: | | |
| Unrestricted: | | |
| Operating | 18,350 | 20,631 |
| Designated for specific programs | 88,179 | 165,900 |
| Fixed assets | 748,927 | 740,941 |
| Total net assets | <u>855,456</u> | <u>927,472</u> |
| Total liabilities and Net Assets | <u>\$ 1,412,686</u> | <u>\$ 1,609,615</u> |

The accompanying notes are an integral part of the financial statements.

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Statements of Activities
For the Years Ended December 31, 2000 and 1999

| | Unrestricted | |
|-----------------------------------|--------------|--------------|
| | 2000 | 1999 |
| Revenues and Other Support: | | |
| Contractual revenue - grants | \$ 4,563,296 | \$ 4,494,951 |
| Miscellaneous revenues | 48,403 | 11,107 |
| Total revenues and other support | 4,611,699 | 4,506,058 |
| Expenses: | | |
| Head start program | 3,494,507 | 3,254,142 |
| Child and adult care food program | 417,832 | 364,892 |
| Summer child care program | | 158,574 |
| Community services block grant | 388,138 | 380,827 |
| Home Energy assistance | 306,563 | 249,186 |
| Project independence | 22,068 | 60,615 |
| Commodities distribution | 8,207 | 12,154 |
| Housing counseling | 4,622 | 6,469 |
| Other general services | 41,778 | 9,486 |
| Total expenses | 4,683,715 | 4,496,345 |
| Changes in net assets | (72,016) | 9,713 |
| Net assets, beginning of year | 927,472 | 917,759 |
| Net assets, end of year | \$ 855,456 | \$ 927,472 |

The accompanying notes are an integral part of the financial statements.

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Statements of Cash Flows
For the Years Ended December 31, 2000 and 1999

| | <u>2000</u> | <u>1999</u> |
|--|-------------------|-------------------|
| Operating Activities | | |
| Change in net assets | \$ (72,016) | \$ 9,713 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 151,211 | 166,897 |
| (Increase) decrease in operating assets: | | |
| Grant receivables | 325,517 | (135,388) |
| Accounts receivable - other | (840) | 7,234 |
| Increase (decrease) in operating liabilities | | |
| Accounts payable | (132,281) | 110,967 |
| Accrued liabilities | (10,175) | (3,395) |
| Refundable advances | (48,519) | 20,380 |
| Net cash provided by operating activities | <u>212,897</u> | <u>176,408</u> |
| Investing Activities | | |
| Payments for property and equipment | (140,626) | (124,931) |
| Net cash used in investing activities | <u>(140,626)</u> | <u>(124,931)</u> |
| Financing Activities | | |
| Proceeds from long-term debt | 65,000 | |
| Repayments of long-term debt | (51,072) | (24,919) |
| Net cash used in financing activities | <u>13,928</u> | <u>(24,919)</u> |
| Net increase in cash | 86,199 | 26,558 |
| Cash as of beginning of year | <u>160,430</u> | <u>133,872</u> |
| Cash as of end of year | <u>\$ 246,629</u> | <u>\$ 160,430</u> |

Supplemental disclosures:

Cash paid for interest in 2000 and 1999 was \$4,078 and \$5,003, respectively.

The accompanying notes are an integral part of the financial statements.

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Notes to Financial Statements
December 31, 2000 and 1999

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Ouachita Multi-Purpose Community Action Program, Inc. (OMCAP) is a private nonprofit corporation incorporated under the laws of the State of Louisiana. OMCAP is governed by a Board of Directors composed of members from Ouachita Parish. OMCAP operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in Ouachita Parish in Louisiana. The following programs, with their approximate percentage of total revenues indicated, are administered by OMCAP:

Head Start Program (75%) – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by federal funds from the U.S. Department of Health and Human Services.

Child and Adult Care Food Program (9%) – Provides a food service program in coordination with the Head Start Program. Funding is provided by federal funds passed through the Louisiana Department of Education.

Community Services Block Grant (9%) – Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Department of Labor.

Low-Income Home Energy Assistance Program (6%) – Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Department of Social Services.

Project Independence Program (.1%) – Provides transportation services to eligible participants. Funding is provided by federal and state funds from the Louisiana Department of Social Services.

Commodities Distribution (.1%) – Provides distribution of U.S.D.A. donated commodities to eligible persons in the community. Funding is provided by federal funds passed through the Louisiana Department of Agriculture and Forestry.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Notes to Financial Statements
December 31, 2000 and 1999
(Continued)

Housing Counseling Services – (.1%) - Includes a full range of services, advice, and assistance to housing consumers to assist them in improving their housing conditions and meeting the responsibilities of homeownership and tenancy. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

Ouachita Council of Governments (OCOG) (.1%) – Accounts for quarterly reimbursements received from the Ouachita Council of Governments for general agency operations.

General Services (1%) – Provides payment of necessary agency expenses not specifically attributable to a grant/contract operated by the agency. Funding is provided by various donations.

B. Basis of Accounting

The financial statements of OMCAP have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Taxes

OMCAP is a nonprofit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to OMCAP's tax-exempt purpose is subject to taxation as unrelated business income. OMCAP had no such income for this audit period.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Notes to Financial Statements
December 31, 2000 and 1999
(Continued)

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, OMCAP considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

G. Property and Equipment

Acquisitions of buildings, equipment, and improvements and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Capitalized assets are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset.

The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency.

H. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

I. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Notes to Financial Statements
December 31, 2000 and 1999
(Continued)

(2) Concentrations of Credit Risk

OMCAP maintains its temporary cash investments with financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 at each bank. At December 31, 2000 and 1999, total cash balances held at financial institutions was \$442,234 and \$355,063, respectively. Of this amount, \$369,478 and \$335,321, respectively, was secured by FDIC and the remaining \$72,756 and \$19,742, respectively, was unsecured.

Concentrations of credit risk with respect to grant receivables were limited due to the balance being comprised of amounts due from governmental agencies under contractual terms. As of December 31, 2000 and 1999, OMCAP had no significant concentrations of credit risk in relation to grant receivables.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from the funding sources at December 31, 2000 and 1999 but not received until after those dates.

(4) Due To and Due From Other Funds

The following schedule represents amounts due to and due from other funds at December 31, 2000 and 1999:

| Fund | 2000 | | 1999 | |
|---|-------------------------|-----------------------|-------------------------|-----------------------|
| | Due From Other Funds | Due To Other Funds | Due From Other Funds | Due To Other Funds |
| Head Start Program - | | | | |
| from Child and Adult Care Program | \$ 60,450 | \$ 7,968 | \$ - | \$ 8,052 |
| Project Independence | 1,686 | - | 3,686 | - |
| Community Services Block Grant | 3,449 | - | 9,032 | 2,049 |
| Child and Adult Care Food Program | - | 60,450 | 2,474 | - |
| Low-Income Home Energy Assistance Program | - | 7,722 | - | 3,484 |
| Commodities Distribution | - | 947 | - | 947 |
| Ouachita Council of Governments | 5,295 | - | 5,144 | - |
| General Services | 10,702 | 4,495 | 9,113 | 14,917 |
| | <u>\$ 81,582</u> | <u>\$ 81,582</u> | <u>\$ 29,449</u> | <u>\$ 29,449</u> |

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Notes to Financial Statements
December 31, 2000 and 1999
(Continued)

(5) Property and Equipment

Property and equipment consisted of the following at December 31, 2000:

| | <u>Estimated Depreciable Life</u> | <u>Purchased With Federal Funds</u> | <u>Purchased With Non-Federal Funds</u> | <u>Total</u> |
|-----------------------------|---|---|---|-----------------------|
| Land | | \$ 37,000 | \$ 19,500 | \$ 56,500 |
| Buildings & improvements | 20-30 years | 712,935 | - | 712,935 |
| Furniture and equipment | 5 - 7 years | 1,459,543 | 11,361 | 1,470,904 |
| Accumulated depreciation | | (1,452,884) | (11,361) | (1,464,245) |
| Net investment in plant | | <u>\$ 756,594</u> | <u>\$ 19,500</u> | <u>\$ 776,094</u> |

Depreciation expense for the year ended December 31, 2000 was \$151,211.

Property and equipment consisted of the following at December 31, 1999:

| | <u>Estimated Depreciable Life</u> | <u>Purchased With Federal Funds</u> | <u>Purchased With Non-Federal Funds</u> | <u>Total</u> |
|-----------------------------|---|---|---|-----------------------|
| Land | | \$ 33,500 | \$ 19,500 | \$ 53,000 |
| Buildings | 20-30 years | 712,935 | - | 712,935 |
| Furniture and equipment | 5 - 7 years | 1,399,504 | 12,418 | 1,411,922 |
| Accumulated depreciation | | (1,378,761) | (12,418) | (1,391,179) |
| Net investment in plant | | <u>\$ 767,178</u> | <u>\$ 19,500</u> | <u>\$ 786,678</u> |

Depreciation expense for the year ended December 31, 1999 was \$166,897.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Notes to Financial Statements
December 31, 2000 and 1999
(Continued)

(6) Refundable Advances

OMCAP records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(7) Contractual Revenue – Grants

During the year ended December 31, 2000 and 1999, OMCAP received contractual revenue from federal and state grants in the amount of \$4,563,296 and \$4,494,951, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(8) Retirement Plan

OMCAP participates in a tax sheltered annuity whereby an amount equal to 6% of the salary of eligible employees is contributed to the plan. OMCAP amended its plan effective January 1, 1999, increasing the agency's contribution to 7%. The amount contributed by OMCAP for the year ended December 31, 2000 and 1999 was \$149,431 and \$146,552, respectively.

(9) Long-term Debt

Long-term debt at December 31, 2000 and 1999 consists of the following:

| | <u>2000</u> | <u>1999</u> |
|--|-----------------|------------------|
| Note payable to a business, due in monthly installments of \$1,795.54 including interest 8.0%, secured by a building; final payment due May 2002 | \$ 27,166 | \$ 45,737 |
| Note payable to a bank, due March, 2001, including interest at 10.5%, secured by accounts receivable | 32,500 | |
| Less current installments on long-term debt | <u>(52,623)</u> | <u>(17,203)</u> |
| Non-current portion of long-term debt | <u>\$ 7,043</u> | <u>\$ 28,534</u> |

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Notes to Financial Statements
December 31, 2000 and 1999
(Continued)

Approximate maturities of long-term debt are summarized as follows:

| For the Year Ending December 31, | Approximate Amount |
|-------------------------------------|-----------------------|
| 2000 | \$ 52,623 |
| 2001 | <u>7,043</u> |
| | <u>\$ 59,666</u> |

Interest expense paid on these notes for the years ended December 31, 2000 and 1999 was \$4,078 and \$5,003, respectively.

(10) Unrestricted Operating Net Assets

Unrestricted operating net assets totaling \$18,350 and \$20,631 for 2000 and 1999, respectively, are detailed by individual program as follows:

| | <u>2000</u> | <u>1999</u> |
|---------------------------------|------------------|------------------|
| Ouachita Council of Governments | \$ 5,924 | \$ 10,327 |
| Community Services Block Grant | | (857) |
| Home Energy Assistance | (7,913) | |
| Commodities Distribution | (952) | (75) |
| General Services | <u>21,291</u> | <u>11,236</u> |
| | <u>\$ 18,350</u> | <u>\$ 20,631</u> |

(11) Unrestricted Designated Net Assets

As of December 31, 2000 and 1999, the unrestricted designated net assets consisted of funds designated to be used only for the operations of the following programs:

| | <u>2000</u> | <u>1999</u> |
|-------------------------------|------------------|-------------------|
| Child Adult Care Food Program | \$ 62,634 | \$ 135,795 |
| Housing Counseling | 21,522 | 24,226 |
| Project Independence | <u>4,023</u> | <u>5,879</u> |
| | <u>\$ 88,179</u> | <u>\$ 165,900</u> |

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Notes to Financial Statements
December 31, 2000 and 1999
(Continued)

(12) Commodities Distribution

The expenses shown as commodities distribution represent certain costs to distribute the commodities. The value of the commodities distributed was approximately \$35,375 for 2000 and \$57,186 for 1999. The value of the commodities distributed is not reflected in the accompanying financial statements.

(13) Leases

The agency leases certain buildings under operating leases. The rental costs on these items for the year ended December 31, 2000 and 1999, were \$13,427 and \$13,155, respectively. There were no commitments under lease agreements having initial or remaining non-cancelable terms in excess of one year as of December 31, 2000.

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Combining Schedule of Financial Position
December 31, 2000

| | Head Start Program | Child & Adult Care Food Program | Summer Child Care Program | Community Services Block Grant | Home Energy Assistance | Project Independence | Commodities Distribution | Housing Counseling | OCO G | General | Total |
|-----------------------------------|-----------------------|---------------------------------------|---------------------------------|--------------------------------------|------------------------------|-------------------------|-----------------------------|-----------------------|-----------------|------------------|---------------------|
| | | | | | | | | | | | |
| Assets | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | |
| Cash | \$ 19,266 | \$ 70,236 | \$ 67,381 | \$ 4,131 | \$ 126 | \$ 135 | \$ 137 | \$ 21,522 | \$ 629 | \$ 63,066 | \$ 246,629 |
| Grant receivables | 234,372 | 70,734 | | | | 2,435 | | | | | 307,541 |
| Other receivables | 840 | | | | | | | | | | 840 |
| Due from other funds | 60,450 | | | 3,449 | | 1,686 | | | 5,295 | 10,702 | 81,582 |
| Total current assets | <u>314,928</u> | <u>140,970</u> | <u>67,381</u> | <u>7,580</u> | <u>126</u> | <u>4,256</u> | <u>137</u> | <u>21,522</u> | <u>5,924</u> | <u>73,768</u> | <u>636,592</u> |
| Property and equipment: | | | | | | | | | | | |
| Property and equipment | 2,009,808 | 83,988 | | 48,952 | 2,135 | 59,393 | 3,114 | 2,088 | | 30,861 | 2,240,339 |
| Accumulated depreciation | (1,333,605) | (22,853) | | (41,929) | (2,135) | (47,960) | (3,114) | (1,288) | | (11,361) | (1,464,245) |
| Net property and equipment | <u>676,203</u> | <u>61,135</u> | | <u>7,023</u> | | <u>11,433</u> | | <u>800</u> | | <u>19,500</u> | <u>776,094</u> |
| Total Assets | <u>\$ 991,131</u> | <u>\$ 202,105</u> | <u>\$ 67,381</u> | <u>\$ 14,603</u> | <u>\$ 126</u> | <u>\$ 15,689</u> | <u>\$ 137</u> | <u>\$ 22,322</u> | <u>\$ 5,924</u> | <u>\$ 93,268</u> | <u>\$ 1,412,686</u> |
| Liabilities and Net Assets | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Accounts payable | 257,682 | 16,687 | | | | | | | | 4,518 | 278,887 |
| Accrued liabilities | 9,558 | 1,199 | | | 317 | 233 | 142 | | | 10,964 | 22,413 |
| Due to other funds | 7,968 | 60,450 | | | 7,722 | | 947 | | | 4,495 | 81,582 |
| Current portion long-term debt | 20,123 | | | | | | | | | 32,500 | 52,623 |
| Refundable advances | 39,721 | | 67,381 | 7,580 | | | | | | | 114,682 |
| Total current liabilities | <u>335,052</u> | <u>78,336</u> | <u>67,381</u> | <u>7,580</u> | <u>8,039</u> | <u>233</u> | <u>1,089</u> | | | <u>52,477</u> | <u>550,187</u> |
| Long-term debt | 7,043 | | | | | | | | | | 7,043 |
| Net assets: | | | | | | | | | | | |
| Unrestricted: | | | | | | | | | | | |
| Operating | | | | | (7,913) | | (952) | | 5,924 | 21,291 | 18,350 |
| Designated for specific programs | | 62,634 | | 7,023 | | 4,023 | | 21,522 | | | 88,179 |
| Fixed assets | 649,036 | 61,135 | | | | 11,433 | | 800 | | 19,500 | 748,927 |
| Total net assets | <u>649,036</u> | <u>123,769</u> | | <u>7,023</u> | <u>(7,913)</u> | <u>15,456</u> | <u>(952)</u> | <u>22,322</u> | <u>5,924</u> | <u>40,791</u> | <u>855,456</u> |
| Total Liabilities and Net Assets | <u>\$ 991,131</u> | <u>\$ 202,105</u> | <u>\$ 67,381</u> | <u>\$ 14,603</u> | <u>\$ 126</u> | <u>\$ 15,689</u> | <u>\$ 137</u> | <u>\$ 22,322</u> | <u>\$ 5,924</u> | <u>\$ 93,268</u> | <u>\$ 1,412,686</u> |

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Combining Schedule of Activities
For the Year Ended December 31, 2000

| Revenues and Other Support | Head Start Program | Child & Adult Care Food Program | Summer Child Care Program | Community Services Block Grant | Home Energy Assistance | Project Independence | Commodities Distribution | Housing Counseling | OCOg | General | Total |
|-------------------------------------|--------------------|---------------------------------|---------------------------|--------------------------------|------------------------|----------------------|--------------------------|--------------------|----------|-----------|--------------|
| | | | | | | | | | | | |
| Contractual revenue-grants | \$ 3,441,033 | \$ 391,511 | | \$ 389,420 | \$ 298,554 | \$ 14,042 | \$ 7,330 | \$ 1,500 | \$ 4,108 | \$ 15,798 | \$ 4,563,296 |
| Miscellaneous revenues | 20,783 | | | | 96 | | | | | 27,524 | 48,403 |
| Total revenues and other support | 3,461,816 | 391,511 | | 389,420 | 298,650 | 14,042 | 7,330 | 1,500 | 4,108 | 43,322 | 4,611,699 |
| Expenses: | | | | | | | | | | | |
| Salaries | 2,023,941 | 176,270 | | 230,776 | 9,194 | 8,513 | 5,387 | | 528 | | 2,454,609 |
| Fringe Benefits | 498,046 | 37,650 | | 55,066 | 1,816 | 2,432 | 1,886 | | 40 | | 596,936 |
| Travel | 50,378 | 447 | | 6,695 | 443 | | 92 | | 112 | | 58,167 |
| Occupancy | 152,214 | 1,049 | | 24,570 | | | | | | | 177,833 |
| Telephone | 32,542 | 856 | | 16,708 | | | | | | | 50,106 |
| Insurance | 60,481 | | | 1,866 | | | | | | | 62,347 |
| Vehicle Operation | 108,594 | | | 4,915 | | 3,543 | | | | | 117,052 |
| Supplies and postage | 259,317 | 169 | | 7,031 | 1,741 | | | | | | 268,258 |
| Equipment Expenses | 3,284 | 31,521 | | 1,304 | | | | | | | 36,109 |
| Professional services | 89,111 | 2,692 | | 2,910 | 946 | 334 | | | | | 95,993 |
| Food and related supplies | 43,918 | 156,913 | | | | | | | | | 200,831 |
| Field Trips | 2,876 | | | | | | | | | | 2,876 |
| Training | 14,893 | | | | | | | | | | 14,893 |
| Miscellaneous | 18,651 | 2,173 | | 3,122 | 1,381 | 176 | 842 | | 7,831 | 32,164 | 66,340 |
| Client assistance payments | | | | 30,830 | 291,042 | | | | | | 321,872 |
| Interest | 2,975 | | | | | | | | | 1,103 | 4,078 |
| Counseling | | | | | | | | 4,204 | | | 4,204 |
| Depreciation | 133,286 | 8,092 | | 2,345 | | 7,070 | | 418 | | | 151,211 |
| Total expenses | 3,494,507 | 417,832 | | 388,138 | 306,563 | 22,068 | 8,207 | 4,622 | 8,511 | 33,267 | 4,683,715 |
| Change in net assets | (32,691) | (26,321) | | 1,282 | (7,913) | (8,026) | (877) | (3,122) | (4,403) | 10,055 | (72,016) |
| Net assets, as of beginning of year | 681,727 | 150,090 | | 5,741 | | 23,482 | (75) | 25,444 | 10,327 | 30,736 | 927,472 |
| Net assets as of end of year | \$ 649,036 | \$ 123,769 | \$ | \$ 7,023 | \$ (7,913) | \$ 15,456 | \$ (952) | \$ 22,322 | \$ 5,924 | \$ 40,791 | \$ 855,456 |

**Supplemental Information Schedules Prepared
For Grants and Contracts Analysis**

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Head Start Grant No. 06CH5175/34
U.S. Department of Health and Human Services
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Contract Period: January 1, 2000 to December 31, 2000

| | Budget | Actual | COB Balances Current Year |
|---|--------------|------------------|------------------------------|
| Revenues | | | |
| Federal share awarded this period | \$ 3,441,185 | \$ 3,441,185 | |
| Grantee's contribution | 860,296 | 860,258 | |
| Total revenue | 4,301,481 | 4,301,443 | |
| Expenditures: | | | |
| Head Start program | | | |
| Personnel | 2,150,011 | 2,023,941 | 126,070 |
| Fringe benefits | 558,926 | 498,046 | 60,880 |
| Travel | 47,500 | 47,471 | 29 |
| Supplies | 80,866 | 344,626 | (263,760) |
| Contractual | 40,500 | 23,040 | 17,460 |
| Other | 563,382 | 503,909 | 59,473 |
| | 3,441,185 | 3,441,033 | 152 |
| Grantee's share | 860,296 | 860,258 | |
| Total all expenditures | \$ 4,301,481 | 4,301,291 | |
| Revenue over (under) expenditures | | 152 | |
| Fund balance, beginning January 1, 2000 | | 72,270 | |
| Reprogrammed grant #06CH5175/32 | | (33,126) | |
| Fund balance, ending December 31, 2000 | | <u>\$ 39,296</u> | |
| Fund balance analysis: | | | |
| Revenues over expenditures grant #06CH5175/26 | | \$ 106,767 | |
| Reprogrammed from grant #06CH5175/26 | | (113,440) | |
| Revenues over expenditures grant #06CH5175/33 | | 45,817 | |
| Revenues over expenditures grant #06CH5175/34 | | 152 | |
| Fund Balance, December 31, 2000 | | <u>\$ 39,296</u> | |

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Child and Adult Care Food Program
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Contract Period: October 1, 1999 to September 30, 2000

Revenue

| | |
|------------------|----------------|
| Contract revenue | \$ 387,973 |
| Total revenue | <u>387,973</u> |

Expenditures:

| | |
|--|----------------|
| Personnel | 170,860 |
| Fringe benefits | 40,915 |
| Travel | 151 |
| Audit | 2,739 |
| Office supplies, postage and telephone | 1,144 |
| Food purchases | 164,819 |
| Nonfood supplies | 31,520 |
| Equipment expense | 54,932 |
| Miscellaneous | <u>890</u> |
| Total expenditures | <u>467,970</u> |

| | |
|-------------------------------|----------|
| Excess revenue (expenditures) | (79,997) |
|-------------------------------|----------|

| | |
|-------------------------------|----------------|
| Fund balance, October 1, 1999 | <u>100,749</u> |
|-------------------------------|----------------|

| | |
|----------------------------------|-------------------------|
| Fund balance, September 30, 2000 | <u><u>\$ 20,752</u></u> |
|----------------------------------|-------------------------|

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Community Services Block Grant
Department of Labor
Contract No. 2000N0027
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Period: January 1, 2000 to December 31, 2000

CONTRACT PERIOD: January 1, 2000 - September 30, 2001

| | Budget | Actual | Actual (Over) Under Budget |
|---------------------------------|-------------------|-----------------|-------------------------------------|
| Revenues: | | | |
| Contract revenue | | \$ 397,000 | |
| Program Income | | | |
| Total revenue | | <u>397,000</u> | |
| Expenditures: | | | |
| Administration | | | |
| Salaries | 216,098 | 119,638 | 96,460 |
| Fringe benefits | 54,319 | 27,680 | 26,639 |
| Travel | 9,200 | 5,224 | 3,976 |
| Equipment | 8,000 | 1,385 | 6,615 |
| Other support costs | 46,608 | 28,406 | 18,202 |
| Total administration | <u>334,225</u> | <u>182,333</u> | <u>151,892</u> |
| Program Activities: | | | |
| Salaries | 283,113 | 111,138 | 171,975 |
| Fringe benefits | 70,023 | 27,386 | 42,637 |
| Travel | 4,000 | 1,471 | 2,529 |
| Equipment | 4,000 | 1,385 | 2,615 |
| Other support costs | 60,000 | 34,876 | 25,124 |
| Emergency services | 29,788 | 29,260 | 528 |
| Total program activities | <u>450,924</u> | <u>205,516</u> | <u>245,408</u> |
| Commodity food and nutrition | 4,414 | 1,570 | 2,844 |
| Total expenditures | <u>\$ 789,563</u> | <u>389,419</u> | <u>\$ 400,144</u> |
| Excess revenues (expenditures) | | 7,581 | |
| Fund balance, January 1, 2000 | | 14,095 | |
| Funds returned, February 2000 | | (14,951) | |
| Transfer in - general funds | | <u>856</u> | |
| Fund Balance, December 31, 2000 | | <u>\$ 7,581</u> | |

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Low Income Home Energy Assistance Program
Contract No. 528394
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Contract Period: January 1, 2000 to December 31, 2000

| | <u>Budget</u> | <u>Actual</u> | <u>Actual (Over) Under Budget</u> |
|---|-------------------|-------------------|---|
| Revenues: | | | |
| Contract revenue | | \$ 290,723 | |
| Miscellaneous revenue | | <u>96</u> | |
| Total revenue | | <u>290,819</u> | |
| Expenditures: | | | |
| Administrative | \$ 22,076 | 15,521 | \$ 6,555 |
| Direct services | <u>294,360</u> | <u>291,042</u> | <u>3,318</u> |
| | <u>\$ 316,436</u> | <u>306,563</u> | <u>\$ 9,873</u> |
| Excess revenues (expenditures) | | (15,744) | |
| Fund balance, beginning January 1, 2000 | | <u>7,831</u> | |
| Fund balance, ending December 31, 2000 | | <u>\$ (7,913)</u> | |

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Project Independence
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Period: January 1, 2000 to December 31, 2000

Revenue:

| | |
|---------------|---------------|
| Grant revenue | \$ 14,042 |
| Total revenue | <u>14,042</u> |

Expenditures:

| | |
|--------------------|---------------|
| Salaries | 8,513 |
| Fringe benefits | 2,432 |
| Vehicle expense | 4,443 |
| Other | <u>510</u> |
| Total expenditures | <u>15,898</u> |

| | |
|-------------------------------|---------|
| Excess revenue (expenditures) | (1,856) |
|-------------------------------|---------|

| | |
|-------------------------------|--------------|
| Fund balance, January 1, 2000 | <u>5,879</u> |
|-------------------------------|--------------|

| | |
|---------------------------------|------------------------|
| Fund balance, December 31, 2000 | <u><u>\$ 4,023</u></u> |
|---------------------------------|------------------------|

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Temporary Emergency Food Assistance
Commodities Distribution
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Contract Period: January 1, 2000 to December 31, 2000

Revenue:

| | |
|---------------|--------------|
| Grant revenue | \$ 7,330 |
| Total revenue | <u>7,330</u> |

Expenditures:

| | |
|--------------------|--------------|
| Salaries | 5,387 |
| Fringe benefits | 1,886 |
| Travel | 92 |
| Other | <u>843</u> |
| Total expenditures | <u>8,208</u> |

| | |
|-------------------------------|-------|
| Excess revenue (expenditures) | (878) |
|-------------------------------|-------|

| | |
|-------------------------------|-------------|
| Fund balance, January 1, 2000 | <u>(75)</u> |
|-------------------------------|-------------|

| | |
|---------------------------------|------------------------|
| Fund balance, December 31, 2000 | <u><u>\$ (953)</u></u> |
|---------------------------------|------------------------|

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Housing Counseling
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Period: January 1, 2000 to December 31, 2000

Revenue:

| | | |
|---------------|----|--------------|
| Grant revenue | \$ | <u>1,500</u> |
|---------------|----|--------------|

Expenditures:

| | | |
|------------|--|--------------|
| Counseling | | <u>4,205</u> |
|------------|--|--------------|

| | | |
|--------------------|--|--------------|
| Total expenditures | | <u>4,205</u> |
|--------------------|--|--------------|

| | | |
|-------------------------------|--|---------|
| Excess revenue (expenditures) | | (2,705) |
|-------------------------------|--|---------|

| | | |
|-------------------------------|--|---------------|
| Fund balance, January 1, 2000 | | <u>24,227</u> |
|-------------------------------|--|---------------|

| | | |
|---------------------------------|----|----------------------|
| Fund balance, December 31, 2000 | \$ | <u><u>21,522</u></u> |
|---------------------------------|----|----------------------|

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Ouachita Council of Governments
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Period: January 1, 2000 to December 31, 2000

Revenue:

| | |
|---------------|-----------------|
| Grant revenue | <u>\$ 4,108</u> |
|---------------|-----------------|

Expenditures:

| | |
|---------------|--------------|
| Miscellaneous | <u>8,511</u> |
|---------------|--------------|

| | |
|--------------------|--------------|
| Total expenditures | <u>8,511</u> |
|--------------------|--------------|

| | |
|-------------------------------|---------|
| Excess revenue (expenditures) | (4,403) |
|-------------------------------|---------|

| | |
|-------------------------------|---------------|
| Fund balance, January 1, 2000 | <u>10,327</u> |
|-------------------------------|---------------|

| | |
|---------------------------------|------------------------|
| Fund balance, December 31, 2000 | <u><u>\$ 5,924</u></u> |
|---------------------------------|------------------------|

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
General Services
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Period: January 1, 2000 to December 31, 2000

Revenue:

| | |
|-----------------|---------------|
| Drug-free grant | \$ 15,798 |
| Miscellaneous | <u>27,523</u> |
| Total revenue | 43,321 |

Expenditures:

| | |
|--------------------------|---------------|
| Drug-free grant expenses | 12,063 |
| Miscellaneous | <u>21,203</u> |
| Total expenditures | <u>33,266</u> |

| | |
|-------------------------------|--------|
| Excess revenue (expenditures) | 10,055 |
|-------------------------------|--------|

| | |
|-------------------------------|---------------|
| Fund balance, January 1, 2000 | <u>30,736</u> |
|-------------------------------|---------------|

| | |
|---------------------------------|-------------------------|
| Fund balance, December 31, 2000 | <u><u>\$ 40,791</u></u> |
|---------------------------------|-------------------------|

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2000

| <u>Federal Grantor / Pass-Through Grantor / Program Title</u> | | <u>CFDA Number</u> | <u>Federal</u> | <u>Pass-Through</u> | <u>Expenditures</u> |
|--|--|--------------------|----------------|-------------------------|---------------------|
| | | | <u>Number</u> | <u>Grantor's Number</u> | |
| <u>U.S. Department of Health and Human Services</u> | | | | | |
| Direct Program: | | | | | |
| Head Start (Fy 12-31-00) | | 93.600 | | 06CH5175/34 | 3,441,033 |
| Passed through Louisiana Department of Labor Community Services Block Grant (Fy 12-31-00) | | 93.569 | | 2000N0027 | 389,419 |
| Passed through Louisiana Department of Social Services, Office of Community Services Low-Income Home Energy Assistance Program - Energy (Fy 12-31-00) | | 93.568 | | 528394 | 306,563 |
| Passed through Louisiana Department of Social Services, Office of Family Support Project Independence | | 93.561 | | Unknown | <u>15,898</u> |
| Total U.S. Department of Health and Human Services | | | | | <u>4,152,913</u> |
| <u>U.S. Department of Education</u> | | | | | |
| Passed through Louisiana Department of Education Drug-free School and Community Act | | 84.186 | | Unknown | <u>12,063</u> |
| Total U.S. Department of Education | | | | | <u>12,063</u> |

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.

Monroe, Louisiana

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2000

(Continued)

| Federal Grantor / Pass-Through Grantor / Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Expenditures |
|---|------------------------|----------------------------------|---------------------|
| <u>U.S. Department of Agriculture</u> | | | |
| Passed through Louisiana Department of Education | | | |
| Child and Adult Care Food Program (Head Start) (Fy 9-30-00) | 10.558 | Unknown | 382,711 |
| Child and Adult Care Food Program (Head Start) (Fy 9-30-01) | 10.558 | Unknown | 81,962 |
| Passed through Louisiana Department of Agriculture and Forestry | | | |
| Temporary Emergency Food Assistance Program | 10.568 | Unknown | 8,208 |
| Food Distribution - Value of Commodities Distributed | 10.550 | Unknown | 35,375 |
| Total U.S. Department of Agriculture | | | <u>508,256</u> |
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| Direct Program: | | | |
| Housing Counseling | 14.169 | Unknown | 4,205 |
| Total U.S. Department of Housing and Urban Development | | | <u>4,205</u> |
| Total federal expenditures | | | <u>\$ 4,677,437</u> |

NOTE 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

NOTE 2: Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and distributed. At December 31, 2000, OMCAP had no food commodities in inventory.

COOK & MOREHART

Certified Public Accountants

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements
Performed In Accordance With *Government Auditing Standards*

To the Board of Directors
Ouachita Multi-Purpose Community Action Program, Inc.
Bossier City, Louisiana

We have audited the financial statements of Ouachita Multi-Purpose Community Action Program, Inc. as of and for the year ended December 31, 2000, and have issued our report thereon dated April 19, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ouachita Multi-Purpose Community Action Program, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ouachita Multi-Purpose Community Action Program, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted certain other matters involving the internal control over financial reporting that we have reported to the management of Ouachita Multi-Purpose Community Action Program, Inc. in a separate management letter dated April 19, 2001.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a stylized, cursive script.

Cook & Morehart
Certified Public Accountants
April 19, 2001

COOK & MOREHART

Certified Public Accountants

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Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Directors
Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana

Compliance

We have audited the compliance of Ouachita Multi-Purpose Community Action Program, Inc. with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2000. Ouachita Multi-Purpose Community Action Program, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ouachita Multi-Purpose Community Action Program, Inc.'s management. Our responsibility is to express an opinion on Ouachita Multi-Purpose Community Action Program, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred above that could have a direct and effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ouachita Multi-Purpose Community Action Program, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Ouachita Multi-Purpose Community Action Program, Inc.'s compliance with those requirements.

In our opinion, Ouachita Multi-Purpose Community Action Program, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

The management of Ouachita Multi-Purpose Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulation, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ouachita Multi-Purpose Community Action Program, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
April 19, 2001

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Summary Schedule of Prior Audit Findings
December 31, 2000

There were no findings or questioned costs for the prior year audit ended December 31, 1999.

Schedule of Findings and Questioned Costs
December 31, 2000

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Ouachita Multi-Purpose Community Action Program, Inc.
2. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Ouachita Multi-Purpose Community Action Program, Inc. were disclosed during the audit.
4. No reportable conditions are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for Ouachita Multi-Purpose Community Action Program, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Ouachita Multi-Purpose Community Action Program, Inc. are reported in Part C. of this Schedule.
7. The programs tested as major programs included: 1) Head Start Program CFDA #93.600, and 2) Low-Income Home Energy Assistance Program CFDA #93.568.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Ouachita Multi-Purpose Community Action Program, Inc qualifies as a low-risk auditee.

B. Findings – Financial Statements Audit – None

C. Findings and Questioned Costs – Major Federal Award Programs Audit– None

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule For Louisiana Legislative Auditor
December 31, 2000

There were no prior year findings for the year ended December 31, 1999. The prior year management letter comments for the year ended December 31, 1999 are addressed below:

Comment #1: Bank Reconciliations

Improvement was noted this year.

Comment #2: Payroll Account

See repeat comment in current year management letter.

Comment #3: Authorization for Payroll Deductions and Pay Rate Authorizations

See repeat comment in current year management letter.

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Corrective Action Plan For Current Year Audit Findings
Schedule For Louisiana Legislative Auditor
December 31, 2000

There were no findings or questioned costs for the current year audit.

The corrective action plan for the management letter comments for the year ended December 31, 2000 are address below:

Comment #1: Payroll Account

We are still experiencing problems with a glitch in our Real World Computer Software which has prohibited us from putting the payroll account on a general ledger. The Real World professionals have again been contacted and are being asked to work with making adjustments to the software. We are also in the process of receiving proposals from accounting firms to set up the general ledger for this program year so there will be no repeat write-up about the lack of a general ledger in the next audit report. Once the payroll general ledger is setup, we will begin reconciling the payroll liability accounts on a monthly basis. We estimate a October 2001 date for accomplishing this task.

Comment #2: Authorization for Payroll Deductions and Pay Rate Authorizations

No deduction is made from an employees's payroll check without a signed authorization from the employee. Pay rate authorizations are also signed and given to Accounting for new employees and/or before changing the pay rate of a current employee. These authorizations will all be approved by the Executive Director or, in the case of the Director, by the Chairman of the Board of Directors. The hiring of a Personnel Director and Personnel Clerk will facilitate closer monitoring of the hiring process and enable us to have a person working constantly with updating personnel files. Ouachita Multi-Purpose Community Action Program, Inc.'s Board is also being asked to authorize a designated schedule fixing definite dates for adding , dropping or other changes to insurance, credit union and other voluntary deductions by employees. The will tremendously decrease the constant flow of paperwork which results from the lack of an enforceable schedule that currently exists.

Comment #3: Head Start Land Purchase

Head Start is being contacted to request approval for the purchase of a \$3,500 piece of property inadvertently purchased without prior approval. We did not read the "real property acquisition" policies of Head Start, but instead, read the small purchases section which state no prior approval is needed for purchases under \$5,000. If Head Start disallows this purchase, local funds will be raised and used to reimburse the Head Start Program.

(Continued)

Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana
Corrective Action Plan For Current Year Audit Findings
Schedule For Louisiana Legislative Auditor
December 31, 2000
(Continued)

Comment #4: Summer Child Care Grant – Excess Funds

Ouachita Multi-Purpose Community Action Program, Inc. is contacting the Louisiana Department of Social Services today to determine how to return unused funds in the amount of \$67,380 left over from a Summer Child Care Program Grant.

Comment #5: Payroll Tax Reports

The Payroll Tax Reports will be reconciled to the general ledger each month, as stated in Comment #1. We plan to have the general ledger setup no later than October 2001.

Comment #6: Liheap Grant Deficit

Non-federal funds were used to pay the \$7,913 in over obligated LIHEAP Grant funds. The over obligation came about when an error was made and not caught by Ouachita Multi-Purpose Community Action Program, Inc. or the funding source in the cumulative total on a monthly LIHEAP report. Ouachita Multi-Purpose Community Action Program, Inc. never received funds from LIHEAP for this error. A 3-step internal procedure has been instituted to prohibit having to raise and use local funds when a contract has been over-obligated.

COOK & MOREHART

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CERTIFIED PUBLIC ACCOUNTANTS

Management Letter

April 19, 2001

Board of Directors
Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana

We have audited the financial statements of Ouachita Multi-Purpose Community Action Program, Inc. (OMCAP), for the year ended December 31, 2000, and have issued our report thereon dated April 19, 2001. In planning and performing our audit of the financial statements of OMCAP, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

During our audit the following items were noted involving the internal control over financial reporting and other operational matters which appear to merit your attention for consideration to improve the internal control over financial reporting or operations of OMCAP. These comments have been discussed with the appropriate members of management.

THE FOLLOWING ARE REPEAT COMMENTS FROM PRIOR YEAR MANAGEMENT LETTER:

Comment #1: Payroll Account

During the course of our audit, we noted that the agency's payroll account was not on a general ledger.

We recommend that the payroll account be on a general ledger and that the payroll liability accounts be reconciled on a monthly basis.

Comment #2: Authorization for Payroll Deductions and Pay Rate Authorizations

During the course of our audit we tested certain payroll transactions. We noted that other deductions such as retirement program, medical insurance, credit union, etc being withheld from employees checks were not supported by a current deduction authorization from the employees. In addition, we noted that a current pay rate authorization was not always included in the employees' personnel files.

We recommend that all deductions from employees' payroll checks be supported by a deduction authorization signed by the employee stating the amounts to be deducted. In addition, a current pay rate authorization should be completed

and approved by the appropriate person. These items should be placed in the employees' personnel files and updated when amounts change.

THE FOLLOWING ARE NEW COMMENTS ADDED THIS YEAR:

Comment #3: Head Start Land Purchase

During our audit, we noted that the Head Start program purchased a piece of property for \$3,500, to be used as a parking lot at one of its Head Start facilities. Head Start program regulations require that prior approval be obtained for all property purchases. The agency did not obtain funding source approval prior to this purchase.

We recommend that the agency contact its funding source to resolve this matter. We further recommend that the agency follow its funding source regulations on all future purchases.

Comment #4: Summer Child Care Grant – Excess Funds

During our audit, we noted that the agency still has cash on hand in the amount of \$67,380, representing excess funds received but not spent on the Summer Child Care grant, which ended in September, 1999.

We recommend that the agency contact the funding source concerning the return of these funds.

Comment #5: Payroll Tax Reports

During our audit, we noted that the salaries reported on the agency's 941 quarterly payroll tax reports were not being reconciled to the salaries reported on the agency's general ledger.

We recommend that the amounts reported on the payroll tax reports be reconciled to the agency's general ledger each quarter.

Comment #6: Liheap Grant Deficit

During our audit, we noted that the Low-income Home Energy Assistance (Liheap) Grant overspent their 2000 contract by \$15,744, causing an overall deficit in the Liheap program of \$7,913.

We recommend that non-federal funds be transferred in to the Liheap program to cover this deficit. We also recommend a better monitoring of grant activity in the future to ensure this does not happen again.

We express sincere thanks to OMCAP personnel for the cooperation and assistance provided us during our audit. We are available to provide you assistance and consultation in the implementation of the above mentioned items. This letter is furnished solely for the use of management and the Board of Directors and is not intended to be used for any other purpose.



Cook & Morehart
Certified Public Accountants
April 19, 2001